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**State Government Operations &  
Accountability Committee**

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**HB 1526**

**Brief Description:** Establishing the public financing of campaigns.

**Sponsors:** Representatives Miloscia, Dunshee, Appleton, Dickerson, Kagi and Moeller.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Establishes public financing for campaigns for state-wide office and for legislative office.</li></ul>
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**Hearing Date:** 2/4/05

**Staff:** Marsha Reilly (786-7135).

**Background:**

The U.S. Supreme Court in *Buckley v. Valeo* (1976) and the state Supreme Court in *Bare v. Gorton* (1974) have held that mandatory limits on campaign spending is a restriction on political speech, thereby violating the First Amendment. However, campaign spending limits that are voluntary, rather than mandatory, are permitted.

Two states, Arizona, passed in 1998, and Maine, passed in 1996, have authorized public funding for legislative and statewide offices.

Both the Maine and Arizona programs require a certain number of \$5 *qualifying contributions* in order for a candidate to become a certified candidate. Once a candidate is certified, he or she may not accept any funds for campaigns other than what is provided by the state. Both states have a spending cap but will provide additional funding in cases where an opponent who is not certified outspends the certified candidate.

Arizona funds its program through a surcharge on criminal and civil penalties, voluntary contributions, and a state income tax check-off. Maine's program is funded by their general fund, offset by equal amounts within administrative divisions of the legislative and executive branch agencies, a state income tax check-off, and participants' seed money contributions during the exploratory period.

**Summary of Bill:**

Public financing for political campaigns for state-wide and legislative office is established. A county, city, or town may establish a public funding program.

### Program Requirements

Candidates for state office or state legislative office may elect to participate in the public financing program. The requirements of the program prohibit a candidate from: 1) accepting individual contributions in excess of \$10 for each election cycle; 2) accepting contributions from a political committee, a continuing political committee, a bona fide political party, or a caucus political committee; and 3) expending more than \$500 of the candidate's personal money.

### Qualification

To participate in the program, a candidate is required to collect 100 qualifying contributions of no more than \$10 each during the "qualifying period." The "qualifying period" is defined as the period beginning on the first day of August in the year before an election, for an election for state office other than legislative, or on the first day of January of an election year for an election for state legislative office, and ending on the close of the regular filing period for the office. A qualifying contribution must be made by a registered voter who is registered in the candidate's district

At the time a candidate collects qualifying contributions, a four-part form must be completed that includes the printed name, registration address, and signature of the contributor, who the contribution is for, the date, and the printed name and signature of the solicitor. One copy of the form is given as a receipt to the contributor, one copy is retained by the candidate, and two copies are forwarded to the Public Disclosure Commission (PDC).

### Certification

The PDC is responsible for certifying candidates who make application for the program. Candidates must forward a list of names of persons who made qualifying contributions, the qualifying contributions, and the two copies of the required form to the PDC no later than one week after the end of the qualifying period. The PDC must deposit all contributions into the Citizens' Clean Election Fund and forward the copies of the qualifying contribution forms to the appropriate county auditors. Within ten days, the county auditors must provide a report to the commission identifying any disqualified contributions due to slips that are unsigned or not dated or that the auditor is not able to identify as a registered voter in the electoral district of the candidate. The PDC must notify the candidate within 7 days of any problems with the application, disqualification or of approval for funding.

### Funding

Approved candidates may accept individual contributions totaling no more than \$10 from one contributor for each election cycle. For every \$10 raised, the candidate will receive \$100 in match from the Citizens' Clean Election Fund up to an amount of \$40,000 for the primary election and \$40,000 for the general election for candidates for legislative office; \$250,000 for candidates for state executive office; and \$2,000,000 for candidates for governor. On the first business day of each month during the primary, candidates will forward a list of names and addresses of each contributor and the amount each contributed for the previous month. The candidates treasurer must certify that the list is true and accurate and the PDC will verify that no more than \$10 in aggregate was received from any one individual and that no single contribution exceeds \$10. The PDC will arrange payment from the Citizens Clean Election Fund to the account of the participating candidate.

Participating candidates who are uncontested will receive matching funds of \$20 for every \$10 received in contributions.

The same process is followed for the general election, as well as the same amount of funding.

All financial activity of a candidate must be conducted through a single account. The candidate and the candidate's treasurer must sign a joint statement under oath promising to comply with the requirements for clean elections funding. All money owed must be paid from the account directly to the person providing the goods or services. Candidates must comply with reporting requirements under 42.17.080 RCW. Moneys in the account may not be used to pay fines or civil penalties, legal fees, or enforcement action. A candidate is not prohibited from having a legal defense fund.

At the end of each election period, all participating candidates must return all money remaining in the account, less any amount still owing, to the clean elections fund. At the end of the general election period, a successful candidate may hold in surplus up to \$500 that may be used for nonreimbursed public office-related expenses or future election campaigns for the same office.

#### Equal Funding of Candidates

When it comes to the attention of the PDC that a nonparticipating candidate for the same office as a participating candidate has raised 50 percent more money than a participating candidate, additional funds may be authorized to the participating candidate to match what the nonparticipating candidate has raised up to a maximum amount of \$40,000 for each election.

#### Limitations on Spending

The PDC shall not spend in excess of \$2.50 times the state population during any calendar year, unless it is offset by an equal reduction during another calendar year within a four-year period. Of this amount, the PDC is authorized to use up to 5 percent of this amount for administration and enforcement, and 5 percent for reasonable and necessary expenses.

**Appropriation:** None.

**Fiscal Note:** Requested on January 31, 2005.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.